

175045



Judith A. Riley, J.D.

2912 Lakeside Drive, Suite 100  
Oklahoma City, OK 73120

August 1, 2005

**Overnight Delivery**


South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

8/4/05  
tod

2005-232-C

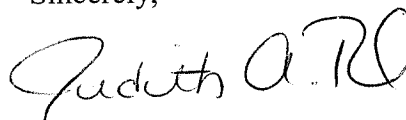
**RE:** Application of Quality Telephone for Approval of Authority to Offer Intrastate Toll, Exchange Access and Local Exchange Services to the Public in the State of South Carolina.

Quality Telephone, Inc. hereby submits the enclosed Application, seeking authority to offer interexchange, exchange access and local exchange telecommunications services to the public in the state of South Carolina. An original and five (5) copies are provided.

Please date stamp the extra transmittal letter enclosed for this purpose and return it in the postage paid envelope provided. 

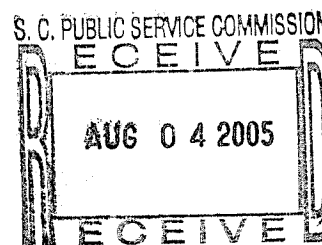
Should there be any questions or additional information required, please do not hesitate to contact me at (405) 755-8177.

Sincerely,



Judith A. Riley  
Regulatory Consultant

Enclosures



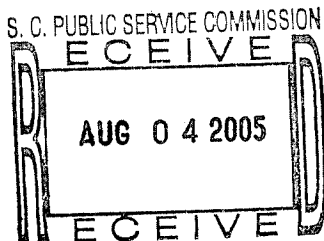
**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

APPLICATION OF **QUALITY TELEPHONE, INC.** FOR )  
A CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO PROVIDE LOCAL )  
EXCHANGE SERVICES, EXCHANGE ACCESS SERVICES, )  
INTEREXCHANGE TELECOMMUNICATIONS SERVICES )  
AND FOR FLEXIBLE REGULATION OF ITS LOCAL )  
EXCHANGE SERVICES )

Docket No. *2005-232-C*

Quality Telephone, Inc., pursuant to S.C. Code Ann. § 58-9-280(B), as amended, and Section 253 of the Telecommunications Act of 1996, respectfully requests that the South Carolina Public Service Commission ("Commission") issue Quality Telephone, Inc. a Certificate of Public Convenience and Necessity to provide resold local exchange services, access services and resold interexchange telecommunications services within the State of South Carolina. In addition, Quality Telephone, Inc. requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C.

Quality Telephone, Inc. proposes to offer resold local exchange, exchange access and interexchange telecommunications services to customers throughout the State. Quality Telephone, Inc. proposes to offer residential telephone service with optional features and bundled services such as local and long distance services in a combined package. In addition, the Company will provide to its Customers access to emergency call services (e.g. 911), directory assistance and other ancillary services. All services are available twenty-four (24) hours per day, seven (7) days a week. The Applicant will commence offering service following the granting of this applicant.



Approval of this application will promote the public interest by increasing the level of competition within South Carolina. This competition will mandate that all exchange telecommunications providers will operate more efficiently, enabling the consumer to benefit via reduced rates.

In support of this Application, Quality Telephone, Inc. respectfully states as follows:

**1. The name and address of the Applicant are:**

Quality Telephone, Inc.  
301 No Market Street # 400  
Dallas, Texas 75209  
(214)-746-6363  
(972)-546-9991  
FXM@qtelephone.com  
1-800-527-3233

**2. All correspondence, notices, inquiries and other communications regarding this applicant should be sent to:**

Judith A. Riley  
2912 Lakeside Drive  
Oklahoma City, OK 73120  
(405) 755-8177 Voice  
(405) 755-8377 Facsimile

**3. Contact person regarding ongoing operations of the Company is:**

Frank McGovern, President  
301 North Market Street # 400  
Dallas, Texas 75202  
(972) 546-9992  
[fxm@qtelephone.com](mailto:fxm@qtelephone.com)

#### **4. Description of Applicant**

Quality Telephone, Inc. was incorporated in the State of Texas July 1998. Quality Telephone, Inc. was also granted authority to do business in South Carolina on October 10, 2003. The applicant's registered agent is CT Corporation System, 75 Beattie Place, Two Insignia Financial Plaza, Greenville, SC 29601. A copy of Quality Telephone, Inc.'s Articles of Incorporation and South Carolina authority to operate are attached as Exhibit A.

#### **5. Officers and Director and Legal Counsel**

See Exhibit B

#### **6. Customer Service**

The Company understands the importance of effective customer service for local service customers. Quality Telephone, Inc. has made arrangements for its customers to call the company at its toll-free customer service number 1-800-527-3233. This number is answered twenty-four hours a day, seven days a week. In addition, customers may contact the company in writing at the headquarters address. The toll free number will be printed on the customer's monthly billing statements.

#### **7. Financial Ability**

Quality Telephone, Inc. has sufficient financial resources to operate in South Carolina. In support of the Company's financial ability to provide the proposed services, the Applicant offers its financial statements in Exhibit C. The financial information is confidential and proprietary. Accordingly, Exhibit C contains confidential proprietary and financial information not generally available to the public. Due to the highly competitive nature of the telecommunications marketplace, Applicant deems this material to be proprietary.

Accordingly, Exhibit C has been marked as confidential and proprietary and is being submitted under seal to be maintained by the Commission and the Commission Staff on a confidential basis.

#### **8. Managerial and Technical Ability**

Exhibit D contains a brief overview of the managerial experience of Quality Telephone, Inc. The Company has the managerial experience in the telecommunications industry that will allow it to be a successful competitive local exchange and toll provider.

#### **9. Proposed Service Territory**

Quality Telephone, Inc. proposes to offer local exchange by leasing the unbundled network elements platform of BellSouth Telecommunications, Inc. ("BellSouth"). Local exchange service will be offered initially within the present operating areas of BellSouth. Exhibit E contains the proposed local exchange tariff of Quality Telephone, Inc. Exhibit F contains the Applicant's proposed interexchange tariff. Applicant's proposed access services tariff will be filed as a supplement to this Application.

## **10. Public Interest and Need**

Approval of this application and Quality Telephone, Inc.'s proposed tariffs will serve the public interest and offer several benefits to consumers in South Carolina. First and foremost, Quality Telephone, Inc. will offer its Customers the ability to have seamless service for local services as well as intrastate and interstate toll services.

The granting of Quality Telephone, Inc.'s application is consistent with S.C. Code Ann. §58-9-280(B), as amended by 1996 Act No. 354, and, in that regard Quality Telephone, Inc. makes the following representations to the Commission:

- A. Applicant possesses the technical, financial and managerial resources sufficient to provide the services requested;
- B. The provision of the local service by Applicant will not adversely impact the availability of affordable local exchange service;
- C. Applicant's local services will meet the service standards required by the Commission;
- D. Applicant, to the extent it is required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; and
- E. The provision of local service by Applicant will not adversely impact the public interest.

Quality Telephone, Inc.'s entry into the local market will not disadvantage any telephone service providers. Incumbent LEC's are presently serving nearly all of the local exchange customers in South Carolina. The history of telecommunications competition has demonstrated that as new entrants improved the price performance of service, consumers benefited from a wider choice of service and options. The resulting reduced rates that competitive pressures brought to the market stimulated demand, resulting in growing revenues for both new entrants and established firms. Quality Telephone, Inc. expects this same phenomena to affect local service over time, thus creating a larger market for all carriers. Therefore, the approval of this application is clearly in the public interest.

## **11. Waivers and Regulatory Compliance**

The Applicant requests that the Commission grant it a waiver of those regulatory requirements inapplicable to competitive local service providers. Such rules are not appropriate for competitive providers and constitute an economic barrier to entry into the local exchange market.

- A. Quality Telephone, Inc. requests that it be exempt from any financial recording rules or regulations that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). As a competitive provider, Quality Telephone, Inc. currently maintains its books and records in accordance with Generally Accepted Accounting Principles ("GAAP"). GAAP is used extensively by interexchange carriers. Since Quality Telephone, Inc. utilized GAAP, the Commission will have a reliable method by which to evaluate Quality Telephone, Inc. operations. Therefore, Quality Telephone, Inc. requests to be exempt from any and all USOA requirements of the Commission.
- B. In addition, Quality Telephone, Inc. requests a waiver of S.C. Reg. 103-610, and to be allowed to maintain its books and records at its headquarters location in Dallas, Texas. In the event that the Commission finds it necessary to review Quality Telephone, Inc. books, this information will be provided upon request to the Commission or Quality Telephone, Inc. will bear the expense of travel for the Commission staff to examine the books and records located outside of South Carolina.
- C. Quality Telephone, Inc. requests that it not be required to publish local exchange directories. Quality Telephone, Inc. will make arrangements with the incumbent LEC whereby the names of Quality Telephone, Inc. Customers will be included in the directories published by the incumbent LECs. These directories will be distributed to Quality Telephone, Inc. Customers. This approach is entirely reasonable and will have a direct benefit to the customers of both Quality Telephone, Inc. and the incumbent LECs since customers will have to refer to only one directory for a universal listing of customer information. It would be an unnecessary burden on the Applicant to require

that it publish and distribute its own directory to all customers located within each exchange area, particularly since nearly all of these customers will be customers of the incumbent LECs. It is more efficient for Quality Telephone, Inc. to simply include its Customer list in the existing directories of the incumbent LECs.

Quality Telephone, Inc. reserves the right to seek any regulatory waivers that may be required for Quality Telephone, Inc. to compete effectively within the States' telecommunications market.

## **12. Flexible Regulation of Local Exchange Services**

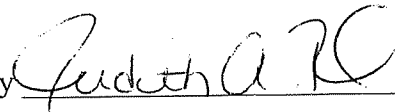
In Docket Number 97-467-C, the Commission approved a rate structure that incorporated maximum rate levels with the flexibility for adjustment below the maximum rate levels. The Commission determined that local tariff filings would be presumed valid upon filing, subject to the Commission's right within thirty days to institute an investigation of a tariff filing and that any such tariff filings would be subject to the same monitoring process as similarly situated competitive local exchange carriers. Quality Telephone, Inc. submits that as a local exchange competitor it should be subject to regulatory constraints no greater than those imposed in the above mentioned docket. The Applicant requests that its local exchange service tariff filings be regulated under this form of flexible regulation.

This Application demonstrates that Quality Telephone, Inc. has the technical, financial and managerial resources to provide resold local exchange service and resold-based long distance service within South Carolina. The granting of this Application will promote the public interest by increasing the level of competition in the telecommunications markets of the State. Competition of this nature will mandate that all local telecommunications providers will operate more efficiently and improve the overall service quality for consumers.

Approval of the Application of Quality Telephone, Inc. will serve the public interest by offering consumers throughout the State of South Carolina a meaningful quality service option. Approval of this Application will also benefit consumers by creating greater competition in the local marketplace. Competition in the telecommunications marketplace inspires innovation and development of services that meet customer needs cost effectively.

Wherefore, Quality Telephone, Inc. respectfully petitions this Commission for authority to operate as a reseller of local exchange and toll telecommunications services in the State of South Carolina in accordance with this Application for flexible regulatory treatment of its local exchange services, for alternative regulation of its long distance business service offering, and for such other relief as it deems necessary and appropriate.

Quality Telephone, Inc.

By  \_\_\_\_\_

Judith A. Riley, Regulatory Consultant  
2912 Lakeside Drive  
Oklahoma City, OK  
Telephone: (405) 755-8177  
Facsimile: (405) 755-8377  
[jriley@telecompliance.net](mailto:jriley@telecompliance.net)

Oklahoma City, Oklahoma

August 1, 2005

**QUALITY TELEPHONE, INC.**

**SCHEDULE OF EXHIBITS**

<b>EXHIBIT A</b>	<b>Articles of Incorporation/ Certificate of Authority</b>
<b>EXHIBIT B</b>	<b>Officers, Directors and Legal Counsel</b>
<b>EXHIBIT C</b>	<b>Confidential Financial Statements</b>
<b>EXHIBIT D</b>	<b>Resumes of Key Employees</b>
<b>EXHIBIT E</b>	<b>Proposed Local Tariff</b>
<b>EXHIBIT F</b>	<b>Proposed Interexchange Service Tariff Access Services Tariff (to be late-filed)</b>

**EXHIBIT A**

**ARTICLES OF INCORPORATION  
CERTIFICATE OF AUTHORITY**

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



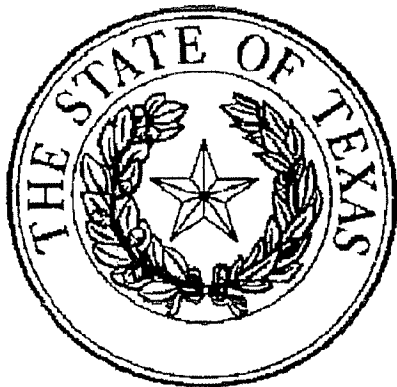
Gwyn Shea  
Secretary of State

## Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for QUALITY TELEPHONE INC. (filing number: 149455200), a Domestic Business Corporation, was filed in this office on June 24, 1998.

It is further certified that the entity status in Texas is active.

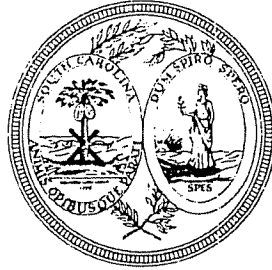
In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on July 30, 2003.



A handwritten signature in cursive script that reads "Gwyn Shea".

Gwyn Shea  
Secretary of State

# *The State of South Carolina*



## *Office of Secretary of State Mark Hammond* **Certificate of Authorization**

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

***QUALITY TELEPHONE INC.,***

a corporation duly organized under the laws of the state of **TEXAS** and issued a certificate of authority to transact business in South Carolina on **October 10th, 2003**, has on the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that its authority to transact business in South Carolina is subject to being revoked pursuant to Section 33-15-310 of the 1976 South Carolina Code, and no application for surrender of authority to do business in South Carolina has been filed in this office as of the date hereof.

Given under my Hand and the Great Seal of  
the State of South Carolina this 10th day of  
October, 2003.

*Mark Hammond*

Mark Hammond, Secretary of State

CERTIFIED TO BE A TRUE AND CORRECT COPY  
AS TAKEN FROM AND COMPARED WITH THE  
ORIGINAL ON FILE IN THIS OFFICE

OCT 10 2003

STATE OF SOUTH CAROLINA  
SECRETARY OF STATE

FILED

OCT 10 2003

Mark Hammond  
SECRETARY OF STATE<sup>3</sup>

Mark Hammond  
SECRETARY OF STATE OF SOUTH CAROLINA

APPLICATION BY A FOREIGN CORPORATION  
FOR A CERTIFICATE OF AUTHORITY  
TO TRANSACT BUSINESS  
IN THE STATE OF SOUTH CAROLINA

TYPE OR PRINT CLEARLY WITH BLACK INK

Pursuant to Section 33-15-103 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation hereby applies for authority to transact business in the State of South Carolina, and for that purpose, hereby submits the following statement:

1. The name of the corporation is (see Sections 33-4-101 and 33-15-106 and Section 33-19-500(b)(1) if the corporation is a professional corporation) Quality Telephone Inc
2. It is incorporated as (check applicable item) ☒ a general business corporation, ☐ a professional corporation, under the laws of the state of Texas
3. The date of its incorporation is 6/24/98 and the period of its duration is perpetual
4. The address of the principal office of the corporation is 301 N. Market, Ste. 400 in the city of Dallas and the state of Texas  
Street Address  
Zip Code
5. The address of the proposed registered office the state of South Carolina is 1040 Rock-N-Creek Rd. in the city of Leesville in South Carolina 29070  
Street Address  
Zip Code
6. The name of the proposed registered agent in this state at such address is Business Filings International, Inc.  
Print Name

I hereby consent to the appointment as registered agent of the corporation.

Mark Schiff  
Signature of the Registered Agent

Mark Schiff, AVP

Quality Telephone Inc

Name of Corporation

7. The name and usual business address of the corporation's directors (if the corporation has no directors, then the name and address of the persons who are exercising the statutory authority of the directors on behalf of the corporation) and principal officers:

a) Name of Directors

Business Address

Francis X. McGovern

301 N. Market, Ste. 400, Dallas, TX 75202

b) Name and Office  
of Principal Officers

Business Address

Francis X. McGovern, President, V.P., Secretary

301 N. Market, Ste. 400, Dallas, TX 75202

John S. Darrah, Treasurer

3731 Gilbert, Dallas, TX 75214

8. The aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any, within a class:

Class of Shares (and Series, if any)

Authorized Number of Each Class (and Series)

10,000 Common

10000

9. Unless a delayed date is specified, this application shall be effective when accepted for filing by the Secretary of State (See Section 33-1-230):

Date August 5, 2003

Quality Telephone Inc

Name of Corporation

Signature

Francis X. McGovern, President

Type or Print Name and Office

Quality Telephone Inc

Name of Corporation

**FILING INSTRUCTIONS**

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form.
3. Schedule of Fees (Payable at the time of filing this document):

Fee for filing Application	\$10.00
Filing Tax	\$100.00
Annual Report	\$25.00
Total	\$135.00
4. This form must be accompanied by the initial annual report of corporations and an original certificate of existence no more than 30 days old from the official state of jurisdiction where the corporation is incorporated.
5. If the applicant corporation's domestic name is unavailable in South Carolina, then it must file a certified copy of the board of directors resolution approving the fictitious name along with this application pursuant to Section 33-15-106(a)(2). (additional \$10 filing fee)
6. If the applicant is a foreign professional corporation, then in addition to satisfying the name requirements in Sections 33-19-150 and 33-19-500(b)(1), the following information must be included in the application:
  - a) A statement that the corporation's sole business purpose is to engage in a specified form of professional services (e.g. Law firm).
  - b) A statement that all of its shareholders, not less than one-half of its directors, and all of its officers other than its secretary or treasurer, if any, are licensed in one or more states to render a professional service described in its articles of incorporation.

Return to: Secretary of State  
P.O. Box 11350  
Columbia, SC 29211

**NOTE**

THE FILING OF THIS DOCUMENT DOES NOT, IN AND OF ITSELF, PROVIDE AN EXCLUSIVE RIGHT TO USE THIS CORPORATE NAME ON OR IN CONNECTION WITH ANY PRODUCT OR SERVICE. USE OF A NAME AS A TRADEMARK OR SERVICE MARK WILL REQUIRE FURTHER CLEARANCE AND REGISTRATION AND BE AFFECTED BY PRIOR USE OF THE MARK. FOR MORE INFORMATION, CONTACT THE TRADEMARKS DIVISION OF THE SECRETARY OF STATE'S OFFICE AT (803) 734-1728.



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**INITIAL ANNUAL REPORT OF CORPORATIONS**

**CL-1-S**  
(Rev. 9/21/00)  
3134

► File Number \_\_\_\_\_ ► ENDING PERIOD \_\_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_ SID number \_\_\_\_\_  
**FILE THIS RETURN WITH ARTICLES OF INCORPORATION OR APPLICATION FOR AUTHORITY TO DO BUSINESS.**

Date "Application for Charter" filed with Secretary of State \_\_\_\_\_  
Date of "Request for authority to do business in this state" (Foreign Corp.) **OCT 10 2003**  
FED E.I. Number **752935927** Business Code \_\_\_\_\_  
(Office Use Only)

NAME OF CORPORATION **Quality Telephone Inc**

PHYSICAL ADDRESS OF HEADQUARTERS (NUMBER AND STREET) 301 N. Market, Ste. 400			MAILING ADDRESS FOR TAX MATTERS 301 N. Market, Ste. 400		
CITY AND STATE Dallas, Texas 75202	ZIP 75202	COUNTY	CITY AND STATE Dallas, Texas 75202	ZIP 75202	

1. State of incorporation: Texas 2. Indicate month corporation closes its books: December  
3. Nature of principal business in SC: Tele-communications.  
4. Location of registered office of the corporation in the state of SC is 1040 Rock-N-Creek Road in the  
city of Leesville. Registered agent at such address is Business Filings International, Inc., Mark  
Schiff, AVP

5. Location of principal office in SC (street, city, zip and county): 1040 Rock-N-Creek Rd., Leesville, SC 29070, Lexington

6. Date business commenced in SC: Upon Filing Telephone # 214-526-9845

7. If a professional corporation, are all shareholders, one-half of the directors (or individuals functioning as directors) and all officers (other than the secretary and treasurer) qualified to practice the professional services engaged in by the corporation?

8. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the corporation are:

SSN	Name/Title	Business Address and Office
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Francis X. McGovern, 301 N. Market, Ste. 400, Dallas, Texas 75202

ATTACH REMITTANCE HERE

9. The total number of **authorized** shares of capital stock itemized by class and series, if any, within each class is as follows:

Number of Shares	Class	Series
10,000	Common	

10. The total number of **issued** and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:

Number of Shares	Class	Series
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**AFFIDAVIT**

I, the undersigned incorporator or principal officer of the corporation for which this return is made, declare that this return, including accompanying statements and schedules, has been examined by me and is to the best of my knowledge and belief a true and complete return made in good faith.

Mark Schiff

August 5, 2003

THIS RETURN PREPARED BY

DATE

[Signature]  
SIGNATURE OF INCORPORATOR OR OFFICER AUTHORIZED TO SIGN  
Incorporator

TITLE

**EXHIBIT B**

**OFFICERS, DIRECTORS AND LEGAL COUNSEL**

**Directors:**

Frank McGovern      (President and Secretary)  
Lucy McGovern  
Christine Robison    (Treasurer)  
James Houghtalin    (Vice President)

**Contact Information for all:**

P.O. Box 7310  
Dallas, TX 75209  
972-546-9992  
[fxm@qtelephone.com](mailto:fxm@qtelephone.com)

**Legal Counsel:**

Judith A. Riley  
2912 Lakeside Drive  
Oklahoma City, OK 73120  
405-755-8177  
405-755-8377 Facsimile  
[jriley@telecompliance.net](mailto:jriley@telecompliance.net)

**CONFIDENTIAL ATTACHMENT C**

**QUALITY TELEPHONE, INC.**

**FINANCIAL STATEMENTS**  
**(Filed Separately Under Seal)**

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

APPLICATION OF <b>QUALITY TELEPHONE, INC.</b> FOR	)	
A CERTIFICATE OF PUBLIC CONVENIENCE	)	
AND NECESSITY TO PROVIDE LOCAL	)	
EXCHANGE SERVICES, EXCHANGE ACCESS SERVICES,	)	Docket No.
INTEREXCHANGE TELECOMMUNICATIONS SERVICES	)	
AND FOR FLEXIBLE REGULATION OF ITS LOCAL	)	
EXCHANGE SERVICES	)	

**NOTICE OF CONFIDENTIALITY: A PORTION OF THIS DOCUMENT HAS BEEN  
FILED UNDER SEAL, NAMELY, EXHIBIT C  
(Financial Information of Quality Telephone, Inc.)**

**EXHIBIT D**

**RESUMES OF KEY EMPLOYEES**

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# Frank McGovern

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## **Sr. Vice President**

**Quality Telephone, Inc.**

Sr. Vice President of Quality Telephone, Inc. a switchless CLEC (Competitive Local Exchange Carrier) providing local residential telephone service. Taking advantage of the Telecom Deregulation Act, Qtel was a pioneer offering residential pre-paid home telephone service.

## **Manager – New Product Development**

**GTE / Verizon**

Responsible for profit and loss, project management and all aspects of bringing new lines of business into the market place, including all market research, marketing, direct marketing, sales, distribution, operations, network design and finances. Brought five new product lines to GTE with a combined 5 year financial projections of \$160 million. Mercer Consulting cited GTE as having the best New Product Development Organization in the Telecom industry.

## **Staff Manager – Corporate Strategy**

**GTE / Verizon**

Responsible for multiple projects determining the future direction of GTE's Residential local phone service. Projects included the coordination of the 1992 1993 and 1994 consumer market plan followed by GTE's Residential Local Organization. Plans included the development of the long term retail outlet plan, creation of the strategy for residential data, evaluation of the on-line market place, definition and co-development the business plan for a directory assistance product.

## **Staff Specialist – New Services Regulatory**

**GTE / Verizon**

Developed regulatory support and strategies for business consumer and government products. Products included Centrex, CLASS, and E-911. Testified before State Public Utility Commissions.

## **Engineering & Operations Positions**

**General Electric April '86 to Sept '89**

### **Engineering Manager**

**GE Mexican Operations – C.C. Acuna, Mexico**

Directed 4 engineers and 12 technicians for start up of a 400 person new factory in Mexico.

### **Department Supervision**

**GE Automotive Lighting – Memphis TN**

Supervised 87 employees in the production of 2 million light bulbs daily. Initiated a project leading 3 engineers to save \$175,000. Improved the production process by 4%.

### **Quality Engineer**

**GE Power Systems – Fitchburg, MA**

Supervised 7 employees on 3 shifts for the receipt of incoming components. Managed volume growth increasing from 40 to 80 million dollars without increasing employees.

### **Project Engineer**

**GE Power Systems – Lynn, MA**

Supervised 15 employees to establish a new warehouse. Moved \$12 million dollars of production to a new facility. Integrated 10,00 parts into a new inventory system.

### **Computer System Specialist**

**GE Aerospace Systems – Utica, NY**

Designed a PC Based computer network for over 600 PCs. Wrote the front-end code, user's manual and system documentation. Trained employees in the software.

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# Frank McGovern

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## **Engineering Aid**

**Raytheon - Bedford, MA**

Developed diagnostic test code for several stages of the Patriot Missile.

## **EDUCATION**

**MBA - Marketing**

University of Texas, at Austin

**MS - Mechanical Engineering**

University of Texas, at Austin

**BS - Industrial Engineering and Operations Research**

University of Mass., at Amherst

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# Christine M. Robison

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## **Field Manager**

**Quality Telephone, Inc.**

Responsible for Distribution, Advertising and I-LEC Relations for Central states for Quality Telephone. Managing over 600 distribution locations in three states, California, Nevada and Arizona. Managed the regional start and the strong growth of the service and area.

## **Financial Coordinator**

**Legal Services of Southeastern Michigan, Inc.**

Responsible for a wide variety of areas including monthly and year-end reporting of financial status to budget in order to make proper adjustments. Maintenance of General Ledger Revenue/Expense reports and Balance Sheet. Coordinating and completing annual audit with accounting consultants. Submitting monthly and quarterly grant financial reports. Purchasing, Accounts Payable, Grants Receivable. Payroll and Personal, including salary and hourly payroll, monthly and quarterly taxes, benefit and employee policy administration. Legal Services, a non-profit legal firm, has an annual budget of \$1.8 million.

## **Distribution Manager – Michigan**

**Frito Lay, Inc.,**

Responsible for 100% service to sales through a 3 shift shipping operation. Accountabilities included managing an operating budget of over \$4 million annually including supplies, equipment, support staff and shift supervisors. Setting, communicating and meeting department goals and reporting on period performance.

Managed 15 Receiving, 15 Utility employees and one Administrator and all incoming materials worth over \$3 million annually. Accountable for department financial and budget forecasts. Instituted performance measures to improve labor costs 30% and reduce carton inventory from 2 1/2 to 1 weeks, a \$150,000 annual impact.

## **Financial Coordinator – New York and New England**

**Frito Lay, Inc.,**

Responsible for tracking plant operating budget of \$90 million. Managed and developed support team of 5 administrators including Payroll, Purchasing, Accounts Payable, Accounts Receivable and General Administration. Accountable for the review and publishing of period financial information. Enhanced cost tracking systems to project earnings and expenditures to provide more accurate period and year-end forecasts. Trained, coached and challenged site management to take ownership of appropriate accounts. Dealt with a wide variety of vendors to gain best price and committed service.

## **Operations Supervisor – Killingsly, CT**

**Frito Lay, Inc.,**

Responsible for achieving 100% service to sales through proper scheduling and crewing while striving to achieve quality and cost goals in a safe manner. Managed implementation of ICS (computerized Inventory Controls System) to achieve 100 % production reconciliation and increased labor efficiency. Managed and coached crews up to 30 employees.

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# David M. Sanchez

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## **New Ventures Manager**

## **Quality Telephone, Inc., Dallas, TX**

Key member in all aspects of the development of Qtel, a CLEC (Competitive Local Exchange Carrier) company offering residential local service in nine states. Planned and managed the back office operations including customer support, operating software, database system design, financial tracking (accounts receivable, payment postings, and bank transactions), an LEC interfaces. Supervised Customer support, billing process flows, and data entry clerks. Project Lead for Qtel's entry into the Internet, potential long distance offerings, and e-commerce.

## **Senior Activations Analyst -**

## **Affiliated Computer Systems, Dallas, TX**

Supervised Activations Department for a Long Distance Communications client which included both a professional analysis staff and a clerical / junior analysis staff. Primary duties included error identification, resolution, and procedural development. Tracked new customer information to ensure data was not compromised by system processes, software problems, or customer input failure. Researched system problems utilizing flowcharting processes and worked closely with programmers to meet production requirements. Tested new systems to ensure user and functionality goals were met. Developed training and procedures manuals for new and existing systems

## **Senior Production Control Analyst**

## **Excel Telecommunications, Dallas, TX**

Responsible for inspecting and testing all MIS products before they were sent to internal and external recipients. Along with one other associate, we trained and developed a 20-person staff in all aspects related to the quality of MIS Products. Jointly, we created positions and trained staff in Job Control, Agent Commissions, Customer Billing, New Customer processes, Customer Correspondence, and special situations. Interacted closely with internal customers and programming staff to determine causes of system and hardware problems and provided workable solutions. Coordinated the setting up of numerous remote facilities as well as moving multiple departments to new facilities.

## **Financial Analyst**

## **MBNA Information Services, Dallas, TX**

Provided administrative support and financial analysis to the End User Computing department. Primary duties for this COBOL and FOCUS programming department included budget forecasting and compilation, corporate client billing, regulatory records control of testing and procedures data, QA and testing of COBOL and FOCUS software changes, client training management, and word processing. Additional duties included assisting programmers in testing and correcting programs to meet critical time requirements.

## **Operations Analyst**

## **NationsBank, Dallas, TX**

Examined operations budget of \$11 million for five regional account research departments. Analyzed variances and explained significant changes. Prepared budget forecasts. Reviewed and explained month-end financial results. Conducted analytical studies of issues and recommended policy and procedures. Key member of the Quality Action Team utilizing management and organizational skills to reduce Proof Operator input errors for Dallas Operations. Supervised the Electronic Service HomeBanking Department. Member of the team which pioneered computer banking to customers.

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# **Rebecca Rhoades-Herrera**

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## **Information Technology Manager**

**Quality Telephone Inc., Dallas, TX**

Key member in all aspects of the development of Quality Telephone, specializing in developing the operating system, interfaces with LEC, and distribution interfaces. Planned and managed the back office software for customer support, distribution interfaces, operation, billing, data base system design, financial tracking (accounts receivable, payment postings, and bank transactions), and LEC interfaces.

## **Manager of Information Technologies**

**Maxim Technologies, Dallas, TX**

Managed all aspects of IT projects for Maxim Technologies, a 110 million dollar per year oil and constructions operations. Purchased and managed all hardware and telecommunications equipment for the Maxim. Upgraded and replaced the entire Data and Voice system and infrastructure for Maxim. Developed, implemented and monitored IT policies and procedures.

Brought the company through government and client certification for Y2K compliance. Y2K budget was \$500,000 and delivered solutions for under \$16,000. Implemented a system to continually like the Maxim headquarters with 73 field offices. Through negotiations, reconfigurations, and routing changes save over \$750,000 in Telecommunications expenses.

## **Network Analyst**

**CURA Environmental, Dallas, TX**

Provided administrative and maintenance support for the Banyan Vines File server. Supported all company PC workstation users and the End User Computing department. Primary duties for this COBOL and FOCUS programming department included budget forecasting and compilation, corporate client billing, regulatory records control of testing and procedures data, QA and testing of COBOL and FOCUS software changes, client training management, and word processing. Additional duties included assisting programmers in testing and correcting programs to meet critical time requirements.

## **Network Analyst**

**J.C. Penney, Plano, TX**

Set software and coding for multiple hardware and software applications through out the JC Penney's world headquarters. Setup forms and other administrative applications. Supported and assisted in the operation of graphics and type setting equipment for publication applications.

## **EDUCATION**

**Bachelor of Science - Management Information Systems**  
**Associates Degree - Information Systems**

**Richland College**  
**Collin County Community College**

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# Joan Parker

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## **Customer Support Lead**

**Quality Telephone Inc., Dallas, TX**

Key member in all aspects of the development of Quality Telephone, specializing in leading, coaching and growing the customer support team. Managing team to ensure customer satisfaction in the area of order processing, billing, customer support, collections and general sales.

## **Business Customer Relations Manager**

**Southwestern Bell, Dallas, TX**

Team leads for a team of ten employees processing CLEC and Reseller orders through Southwestern Bell's Wholesale order group. Worked with POTS, Business Voice, Data and Trunk lines for AT&T, Time Warner and Alltel. Ensured operation complied with all PUC orders and requirements. Worked with LENS, X and X resale systems. Resolved customer issues, maintained weekly conference calls to ensure a high degree of intracompany communications. Worked with others to identify and implement programs to improve customer satisfaction and quicker response times. Built a report with other intercompany departments to create faster response times and meet team goals.

## **Customer Service Team Member**

**PrimeCo (Verizon), Westlake, TX**

Supported Pre-Paid Wireless customers with Primeco. Supported customer questions regarding billing, activation, coverage, phone operations, and other technical questions. Work to ensure a high degree of customer satisfaction.

## **Order Processing Lead**

**Transtar Communications, Bedford, TX**

Interfaced with Southwestern Bell and Verizon/GTE to process and complete Residential and Business orders. Trained new employees on EASE and other processing programs worked with and developed newly hired employees to ensure proper production of orders. Responsible for all aspects of customer orders, accuracy, timeliness and follow through.

---

# **James J. Houghtalin**

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## **Sr. VP Operations**

**Quality Telephone, Dallas, TX**

Responsible for Customer Service and Support, Billing, ILEC interfaces, Purchasing, Information Services. Lead planning and execution of the back office operations including customer support, operating software, database system design, financial tracking (accounts receivable, payment postings, and bank transactions), and ILEC interfaces.

## **VP, Administrative Services**

**Maxim Technologies, Inc., Dallas, TX**

Directly responsible for all aspects of: Human Resources, Information Technology, Administration and Procurement. Other responsibilities include real estate (owned and leased), divestitures of business lines and assets, vendor contract negotiation and review, telecom (voice and data), and data extraction and manipulation for executive level use. Position was dissolved by the sale of the company.

## **Director of Administrative Services**

**Maxim Technologies, Inc., Dallas, TX**

Directly responsible for all aspects of: Administration, Information Technology and Procurement.. Implementation of an accounting decentralization program from concept to design, training and implementation. Program was completed in first quarter 1999. Program reduced corporate staff by 20 positions without adding staff to operations. Restructured a \$75 Million Y2k budget resulting in complete timely success with a total cost of \$10,000. Program was achieved through testing and implementation of logically cost effective systems while increasing the effectiveness of existing systems. Program included migrating from various software platforms to Microsoft's platform including Outlook/Exchange email system.

## **Director of Administrative Services**

**PSI, INC., Lombard, IL**

Responsible for the development and reorganization of a corporate-wide purchasing department. Develop, implement and maintain administrative programs. Telecom Program. Negotiate and implement corporate-wide telecom program. Creation of an interactive access database to track all numbers, calling cards and associated equipment. Reduction in cost \$1.5 million over contract life. Managed Fleet Management for over 1,200 vehicles. Managed Travel Department, and Office Supply and Equipment and the Purchasing Department. Managed a staff of six agents and assistants for all corporate purchases of vehicles, sub-surface drilling rigs, computer hardware and software, office equipment, testing equipment, all printed company materials, etc.

## **Department Manager**

**PSI, INC., Tampa, FL.**

Directly responsible for financial stability of a \$1.5 Million operation located in and all aspects of the department. Maintained 25% profit margin during position. meet critical time requirements.

**EXHIBIT E**

**PROPOSED LOCAL TARIFF**

**Local Exchange Telephone Service**

---

**TITLE PAGE**  
**OF**  
**SOUTH CAROLINA LOCAL EXCHANGE SERVICES TARIFF**  
**OF**  
**QUALITY TELEPHONE, INC.**

**This tariff, filed with the South Carolina Public Service Commission,  
contains the rates, terms, and conditions applicable to  
Local Exchange Telephone Services within the State of South Carolina  
offered by Quality Telephone, Inc.**

---

**Issued:**

**Effective:**

**Issued By:**

Frank McGovern, President  
Quality Telephone, Inc.  
301 N Market St Ste 400  
Dallas Texas 75202  
Telephone: (972) 546-9990

**Local Exchange Telephone Service**

---

**CHECK SHEET**

All sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<b>SHEET</b>	<b>REVISION LEVEL</b>	<b>SHEET</b>	<b>REVISION LEVEL</b>
1	Original	25	Original
2	Original	26	Original
3	Original	27	Original
4	Original	28	Original
5	Original		
6	Original		
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24	Original		

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**Local Exchange Telephone Service**

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**TARIFF FORMAT**

- A. Page Numbering – Page numbers appear in the upper right hand corner of the page. Pages are numbered sequentially. From time to time new pages may be added to the tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Pages 3 and 4 would be numbered 3.1.
- B. Page Revision Numbers – Revision numbers also appear in the upper-right corner of the Page. These numbers are used to determine the most current page version on file with the Commission. For example, 4<sup>th</sup> Revised Page 4 cancels 3<sup>rd</sup> Revised Page 4.
- C. Paragraph Numbering Sequence – There are various levels of paragraph coding. Each level of coding is subservient to its next higher level of coding. For example:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a)
- D. Check Sheet – When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

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Local Exchange Telephone Service

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**Local Exchange Telephone Service**

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**APPLICATION OF TARIFF**

This tariff contains the regulations and rates applicable to the provision of local exchange service by Quality Telephone, Inc. within the State of South Carolina and subject to the jurisdiction of the South Carolina Public Service Commission.

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**Local Exchange Telephone Service**

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**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** – An arrangement which connects the customer's location to a switching center or point of presence.

**Authorized User** – A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Company's service.

**Carrier or Company** – Whenever used in this tariff, "Carrier" or "Company" refers to Quality Telephone, Inc., unless otherwise specified or clearly indicated by the context.

**Customer** – The person, firm, corporation, or other entity which orders, cancels, amends, or uses service and is responsible for payment of charges and compliance with the Company's tariff.

**Exchange Access Line** – The serving central office line equipment and all Company plant facilities up to and including the Company-provided Standard Network Interface. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariffed use offering selected by the Customer. Exchange access lines are subject to non-recurring charges, as specified in Section 4 of this tariff.

**ILEC** – The incumbent Local Exchange Carrier.

**LEC** – Local Exchange Company

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**Local Exchange Telephone Service**

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**SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS, CONT.**

**Local Exchange Services** – Telecommunications services furnished for use by end-users in placing and receiving local telephone calls within local areas.

**Resold Local Exchange Service** – A service composed of the resale of exchange access lines and local calling provided by other authorized Local Exchange Carriers, in combination with Company-provided usage services, miscellaneous services or interstate/international services.

**Station-to-Station Calling** – A service whereby the originating End User requests the assistance of a Company operator to place or bill the call. Calls billed Collect or to a telephone company-issued Calling Card or to an authorized Credit Card are Operator-Station calls unless the call is placed on a Person-to-person basis. Automated Calling Card calls are not Operator-station calls. Calls may be dialed with or without the assistance of a Company operator. Collect calls to coin telephones and transfers of charges to third telephones which are coin telephones will not be accepted.

**Person-to-Person Calling** – An operator-assisted service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant. Charges may be billed to the called party, a third number, a credit card, a calling card or designated third party station.

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---

**SECTION 2 – RULES AND REGULATIONS**

**2.1 Undertaking of the Company**

The Company services offered pursuant to this Tariff are furnished for Local Exchange Service among specified points within a Local Calling Area. The Company will offer these services over resold facilities.

The Company installs, operates, and maintains the communications services provided herein under in accordance with the terms and conditions set forth under this tariff. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities as required in the Commission's rules and orders, when authorized by the Customer, to allow connection of a Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise indicated, and are available twenty-four hours per day, seven days per week.

**2.2 Limitations**

2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, and subject to the provisions of this tariff.

2.2.2 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when Customer is using service in violation of the provisions of this tariff, or in violation of the law.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.2 Limitations, cont.**

- 2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4 All facilities provided under this tariff are directly controlled by the Company and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.5 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to any assignee or transferee.

**2.3 Use**

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

**2.4 Liabilities of the Company**

- 2.4.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, in no event exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.4 Liabilities of Company, cont.**

- 2.4.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3 The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff, or for any act or omission of the Customer, or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company. if not directly caused by negligence of the Company.
- 2.4.4. No agent or employee of any carrier shall be deemed to be an agent or employee of the Company.
- 2.4.5 The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of the Company's negligence.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.5 Deposits**

The Company does not collect customer deposits.

**2.6 Advance Payments**

The Company offers local exchange service, and, therefore, all payments for service are made in advance.

**2.7 Taxes**

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

Customers are responsible for paying all Local, State, Federal and Municipal taxes including but not limited to The South Carolina Life Line Support Fee and the South Carolina TRS/TDD charge. These charges are set by the State of South Carolina and are subject to changes set by state.

2.7.1 The South Carolina Life Line Support of \$0.08 per line per month.

2.7.2 The South Carolina TRS / TDD of \$0.10 per line per month.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.8 Installation**

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

**2.9 Payment for Service**

The Customer is responsible for payment of all charges for services furnished to the Customer or to an Authorized User of the Customer by the Company. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the South Carolina Public Service Commission.

The Company's billing invoices will be considered correct and binding upon the Customer if no notice is received from the Customer within sixty (60) days of the date of the invoice. (Billing inquiries may be made in writing, or via telephone.) Adjustments to Customer's bills shall be made to the extent circumstances exist which reasonably indicate that such changes are appropriate. Upon receipt of a billing inquiry, charges involved in the disputed element(s) of the invoice will be temporarily suspended pending resolution of the dispute. The Customer, however, remains responsible for the timely payment of the non-disputed elements of the invoice. If a Customer is not satisfied with the Company's response to an inquiry or request for credit, he or she may appeal to the South Carolina Public Service Commission for final resolution.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.10 Late Payment Charge**

The Company will assess a \$10.00 charge for late payment.

**2.11 Cancellation by Customer**

Customer may cancel service by providing written or oral notice to the Company.

**2.12 Interconnection**

Service furnished by the Company may be connected with the services or facilities of other carriers or enhanced service providers. The Customer is responsible for all charges billed by these entities for use in connection with the Company's service. Any special interface equipment or facilities necessary to achieve compatibility between these entities is the responsibility of the Customer. Neither the Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.13 Refusal or Discontinuance by Company**

The Company may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the Customer shall be given proper notification in accordance with 807 KAR 5:006 Section 14 to comply with any rule or remedy any deficiency:

- 2.13.1 For non-compliance with or violation of any State, municipal, or Federal law, ordinance or regulation pertaining to telephone service.
- 2.13.2 For use of telephone service for any other property or purpose than that described in the application.
- 2.13.3 For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.
- 2.13.4 For noncompliance with or violation of Commission regulation or the Company's rules and regulations on file with the Commission, provided ten days written notice is given before termination.
- 2.13.5 For nonpayment of bills, including bills for any of the Company's other communication services, provided that suspension or termination of service shall not be made without seven days written notice to the Customer, except in extreme cases.
- 2.13.6 Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's service to others. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

- 2.13.7 Without notice in the event of tampering with the equipment or services owned by the Company or its agents. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and the customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.8 Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.9 Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits Company from furnishing such services.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.14 Tests, Pilots, Promotional Campaigns and Contests**

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winners of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time, the Company may waive all processing fees for a Customer. The Company will notify the Commission regarding specific promotions and contests.

**2.15 Interruption of Service**

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications Systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify Company immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Company's terminal. Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via local exchange company access.

**2.16 Cost of Collection and Repair**

Customer is also responsible for recovery costs of Carrier-provided equipment and any expenses required for repair or replacement of damaged equipment.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.17 Returned Check Charges**

A fee of \$15.00 may be charged for each check returned for insufficient funds.

**2.18 Service Implementation**

Absent a promotional offering, service implementation charges of \$20.00 per service order will apply to new service orders to change existing service after initial installation.

**2.19 Reconnection Charge**

The Company will charge a reconnection fee as set forth in this tariff.

**2.20 Operator Service Rules**

The Company will enforce the operator service rules specified by the Commission and by the FCC.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.21 Access to Telephone Relay Services**

Where required by the Commission, the Company will participate in telephone relay services for handicapped and/or hearing impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

**2.22 Access to Carrier of Choice**

End users of the Company's local service shall have the right to select the interexchange telecommunications service provider (IC) of their choice. The IC should request confirmations/verifications of choice from its customers no later than the date of submission of its first bill to the customer. The Company should maintain signed letters of agency or confirmations of choice on file for use in dispute resolution.

**2.23 Directory Listings**

2.23.1 The Company does not publish a directory of subscriber listings. The Company, however, does arrange for the Customer's main billing number to be placed in the directory or directories of the document local exchange carrier.

2.23.2 The rates and regulations specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying subscriber's telephone and as an aid to the use of telephone service.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

- 2.23.3 The listings of subscribers, either without charge or at the rate specified within this tariff for other listings are arranged alphabetically and are not intended for special prominence of arrangement. In accepting listings as requested by subscribers or prospective subscribers, the Company will not be a party to controversies between subscribers as result of the publication of such listings in the directories.
- 2.23.4 Listings must conform to the Company's specifications with respect to the directories. The Company reserves the right to reject listings when in, its sole judgment, such listings would violate the integrity of company records and the directories, confuse individuals using the directory, or when the customer cannot provide satisfactory evidence that he is authorized to do business as requested.
- 2.23.5 The Company reserves the right to limit the length of any listing to one line in the directory by use of abbreviations when, in its sole judgment, the clearness of the listing and the identification of the subscriber is not impaired.
- 2.23.6 Generally, the listed address is the location of the subscriber's residence.

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**Effective:**

**Issued By:**

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Quality Telephone, Inc.  
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Dallas Texas 75202  
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**Local Exchange Telephone Service**

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.24 Universal Emergency Telephone Number Service (911, E911)**

- 2.24.1 This tariff does not provide for the inspection or constant monitoring of facilities to discover errors, defects, or malfunctions in the service, nor does the Company undertake such responsibility.
- 2.24.2 911 information consisting of the names, addresses and telephone numbers of all telephone customers is confidential. The Company will release such information via the Data Management System only after a 911 call has been received, on a call by call basis, only for the purpose of responding to an emergency call in progress.
- 2.24.3 The 911 calling party, by dialing 911, waives the privacy afforded by non-listed and non-published service to the extent that the telephone number, name, and address associated with the originating station location are furnished to the Public Safety Answering Point.
- 2.24.4 After the establishment of service, it is the Public Safety Agency's responsibility to continue to verify the accuracy of and to advise the Company of any changes as they occur in street names, establishment of new streets, changes in address numbers used on existing streets, closing and abandonment of streets, changes in police, fire, ambulance or other appropriate agencies' jurisdiction over any address, annexations and other changes in municipal and county boundaries, incorporation of new cities or any other similar matter that may affect the routing of 911 calls to the proper Public Safety Answering Point.

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**SECTION 2 – RULES AND REGULATIONS, CONT.**

**2.24 Universal Emergency Telephone Number Service (911, E911) (continued)**

2.24.5 The Company assumes no liability for any infringement, or invasion of any right of privacy of any person or persons caused, or claimed to be caused, directly or indirectly by the use of 911 Service. Under the terms of this tariff, the Public Safety Agency must agree, (except where the events, incidents, or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct), to release, indemnify, defend and hold harmless the Company from any and all losses or claims whatsoever, whether suffered, made, instituted, or asserted by the Public Safety Agency or by any other party or person, for any personal injury to or death of any person or persons, or for any loss, damage, or destruction of any property, whether owned by the customer or others. Under the terms of this tariff, the Public Safety Agency must also agree to release, indemnify, defend and hold harmless the Company for any infringement of invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion, or use of 911 Service features and the equipment associated therewith, or by any services furnished by the Company in connection therewith, including, but not limited to, the identification of the telephone number, address, or name associated with the telephone used by the party or parties accessing 911 Service hereunder, and which arise out of the negligence or other wrongful act of the Public Safety Agency, its user, agencies or municipalities, or the employees or agents of any one of them, or which arise out of the negligence, other than gross negligence or willful misconduct, of the Company, its employees or agents.

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**SECTION 3 – DESCRIPTION OF SERVICE**

**3.1 Local Service Areas**

The Company will provide residential local exchange service throughout the entire State of South Carolina.

**3.2 Product Descriptions**

**3.2.1 Residential Local Exchange Service**

Installation, monthly recurring and per minute usage charges will apply to the Company's local exchange services and will be by the customer. An addition per-call operator service charge will apply for operator-assisted calling.

3.2.1.1 The Company's Local Telephone Service provides a Customer with the ability to:

- place or receive calls to any calling Station in the local calling area, as defined herein;
- access basic 911 Emergency Service;
- access the interexchange carrier selected by the Customer for interLATA, intraLATA, interstate or international calling;
- access Operator Services;
- place or receive calls to 800/888/887 telephone numbers;
- access Telecommunication Relay Service.

3.2.1.2 The Company's service cannot be used to originate calls to other telephone companies' caller-paid information services (e.g., 900, 976). Calls to those numbers and other numbers used for caller-paid information are blocked by the Company's switch.

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**SECTION 3 – DESCRIPTION OF SERVICE, CONT.**

**3.2 Product Descriptions, cont.**

3.2.1.3 The Company provides the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.

3.2.1.4 Standard Features: Each Local Line Customer is provided with the following standard features:

Touch Tone  
Direct Inward Dialing  
Direct Outward Dialing

3.2.1.5 Optional Features: A Customer may order optional features, at the rates specified in this tariff.

3.2.1.6 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring Charges, monthly Recurring Charges and usage charges as specified herein.

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**SECTION 3 – DESCRIPTION OF SERVICE, CONT.**

**3.2 Product Descriptions, cont.**

**3.2.3 Directory Listings**

For each Customer of Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at an additional charge.

**3.2.4 Directory Assistance**

Customers and users of the Company's services may obtain directory assistance in determining telephone numbers within the state by calling the Directory Assistance operator.

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**SECTION 4 – RATES****4.1 Local Residential Service Rates****4.1.1 Monthly Charges\***

	<b>Current</b>	<b>Maximum</b>
1 <sup>st</sup> Line:	\$39.99 per month	\$44.99 per month
2 <sup>nd</sup> Line:	\$39.99 per month	\$44.99 per month

\* Monthly charges include local exchange phone service only. Should additional features be added to service after installation, a \$10.00 service charge will be incurred by the customer in addition to the cost of the new feature.

**4.1.2 Optional Features Offered:**

	<b>Current</b>	<b>Maximum</b>
▶ Caller ID	\$10.00 per line	\$15.00 per line
▶ Call Waiting	\$5.00 per line	\$5.00 per line
▶ 3-Way Calling	\$3.00 per line	\$8.00 per line
▶ Call Forwarding	\$3.00 per line	\$8.00 per line
▶ Call Return	\$3.00 per line	\$8.00 per line
▶ Unlisted Number	\$5.00 per line	\$10.00 per line

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**SECTION 4 – RATES**

**4.2 Returned Check Charge**

\$15.00 per check

**4.3 Reconnection Charge**

\$25.00 per occurrence

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**SECTION 5 – BILLING CONTENTS**

**5.1 Billing Contents**

The Company's customer bills contain the following information:

1. Name and address of Company  
Address for Correspondence  
Address for Remittance
2. Customer Service/Billing Inquiry toll-free telephone number
3. Name and address of Customer
4. Bill Date
5. All Account Numbers
6. Invoice Number
7. Summary of Charges
8. Detail of Charges

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**SECTION 6 – SPECIAL SERVICE ARRANGEMENTS**

**6.1 Individual Case Basis Arrangements**

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this tariff. The Company's rates will be offered to the Customer in writing and on a non-discriminatory basis. All such rates will be submitted to the Commission for approval.

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**EXHIBIT F**

**PROPOSED INTEREXCHANGE TARIFF**

**ACCESS SERVICES TARIFF**  
**(to be late-filed)**

**TITLE SHEET**

**SOUTH CAROLINA TELECOMMUNICATIONS TARIFF**

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for intrastate interexchange telecommunications services provided by Quality Telephone, Inc. with principal offices at 301 N. Market Street, #400, Dallas, Texas 75202. This tariff applies for services furnished within the state of South Carolina. This tariff is on file with the South Carolina Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business. This tariff is governed and interpreted according to the laws of South Carolina.

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CHECK SHEET

Sheets 1 through 31 inclusive of this tariff are effective as of the date shown at the bottom of each respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original

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CHECK SHEET (continued)

SHEET

30

31

REVISION

Original

Original

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ALPHABETICAL INDEX (Continued)

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Technical Terms and Abbreviations	1
Timing of Calls	3.1
Undertaking of Quality Telephone, Inc.	2.1
Use and Limitations of Services	2.2

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**SYMBOLS**

The following are the only symbols used for the purposes indicated below:

- |   |  |
|---|--|
| D | Delete or Discontinue  |
| I | Change Resulting in an Increase to a Customer's Bill         |
| M | Moved From Another Tariff Location                           |
| N | New  |
| R | Change Resulting in a Reduction to a Customer's Bill         |
| T | Change In Text or Regulation but no Change in Rate or Charge |

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TARIFF FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the LPSC. For example, the 4th revised Sheet 14 cancels the third revised Sheet 14. Because of various suspension periods, deferrals, etc. the LPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.  
2.1.  
2.1.1.  
2.1.1.A.  
2.1.1.A.1.  
2.1.1.A.1.(a).  
2.1.1.A.1.(a).I.  
2.1.1.A.1.(a).I.(i).  
2.1.1.A.1.(a).I.(i).(1).

D. Check Sheets - When a tariff filing is made with the LPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the LPSC.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

Access Line - An arrangement which connects the Customer's location to a Quality Telephone, Inc. network switching center.

Authorization Code - A numerical code, one or more of which are available to a Customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the Customer for billing purposes.

Commission – South Carolina Public Service Commission.

Company or Carrier - Quality Telephone, Inc.

Customer - The person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

Day - From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

InterLATA Toll Call - Any call terminating beyond the LATA of the originating caller.

IntraLATA Toll Call - Calls terminating within the LATA of the originating caller.

Telecommunications – The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier – The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

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**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of Quality Telephone, Inc.**

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by Quality Telephone, Inc. for telecommunications between points within the State of South Carolina. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement. The Company does not own any switching, transmission or other physical facilities in South Carolina.

2.1.1 The services provided by Quality Telephone, Inc. are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.

2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by Quality Telephone, Inc. and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of Quality Telephone, Inc.

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**2. RULES AND REGULATIONS (continued)**

**2.1 Undertaking of Quality Telephone, Inc. (continued)**

2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, to refuse to reconnect a customer or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; required underlying carrier commitments; or when the use of service becomes or is in violation of the law or a provision of this tariff.

2.1.4 Unless otherwise stated, the Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

**2.2 Use and Limitations of Services**

2.2.1 Quality Telephone, Inc.'s services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.

2.2.2 The use of Quality Telephone, Inc.'s services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

2.2.3 The use of Quality Telephone, Inc.'s services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

2.2.4 Quality Telephone, Inc. does not transmit messages, but the services may be used for that purpose.

2.2.5 Quality Telephone, Inc.'s services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5 herein.

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**2. RULES AND REGULATIONS (continued)**

**2.2 Use and Limitations of Services (continued)**

- 2.2.6 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.7 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.
- 2.2.8 All facilities provided under this tariff are directly controlled by Quality Telephone, Inc. and the Customer may not transfer or assign the use of the service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.9 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transfers.

**2.3 Liability of the Company**

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, terrorism, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.
- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.

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**2. RULES AND REGULATIONS (continued)**

**2.3 Liability of the Company (continued)**

2.3.4 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities shall, in no event, exceed an amount equivalent to the proportionate charge to the Customer for the period during which the aforementioned faults in transmission occur. No other liability in any event shall attach to the Company, except as ordered by the Commission.

2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity of any other property whether owned or controlled by the Customer or others.

2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express or implied, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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**2. RULES AND REGULATIONS (continued)**

**2.4 Responsibilities of the Customer or Subscriber**

- 2.4.1 The Customer is responsible for placing any necessary orders, for complying with tariff regulations, and for assuring that users comply with tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Customer to authorized users.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by Quality Telephone, Inc. on the Customer's behalf.
- 2.4.3 If required for the provision of Quality Telephone, Inc. services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for the Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of Quality Telephone, Inc.'s services.

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**2. RULES AND REGULATIONS (continued)****2.4 Responsibilities of the Customer or Subscriber (continued)**

2.4.5 The Customer shall ensure that its equipment and/or system is properly interfaced with Quality Telephone, Inc. facilities or services, that the signals emitted into the Quality Telephone, Inc. network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Quality Telephone, Inc. will permit such equipment to be connected with its channels without the use of protective interface devices.

If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Quality Telephone, Inc. equipment, personnel, or the quality of service to other Customers, Quality Telephone, Inc. may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, Quality Telephone, Inc. may, upon written notice, terminate the Customer's service.

2.4.6 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer, users, or others, by improper use of the services, or by use of equipment provided by the Customer, users, or others.

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**Dallas, Texas 75202**

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**2. RULES AND REGULATIONS (continued)**

**2.4 Responsibilities of the Customer or Subscriber (continued)**

- 2.4.7 The Customer must pay for the loss through theft of any Quality Telephone, Inc. equipment installed at Customer's premises.
- 2.4.8 The Customer is responsible for the payment of charges for all calls originated at the Customer's numbers, even when those calls are originated by fraudulent means, either from the Customer's premises or from remote locations.
- 2.4.9 The Customer or authorized user is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.10 The Customer or authorized user is responsible for identifying the station, party, or person with whom communications is desired and/or made at the called number.

**2.5 Cancellation or Discontinuance of Services**

- 2.5.1 Without incurring liability, Quality Telephone, Inc. may, upon five working days written notice, discontinue services to a Customer or may withhold the provision of ordered or contracted services:
  - 2.5.1.A For nonpayment of any sum due Quality Telephone, Inc. for more than twenty days after issuance of the bill for the amount due,
  - 2.5.1.B For violation of any of the provisions of this tariff,
  - 2.5.1.C For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services, or
  - 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting Quality Telephone, Inc. from furnishing its services.

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**2. RULES AND REGULATIONS (continued)**

**2.5 Cancellation or Discontinuance of Services (continued)**

2.5.2 Without incurring liability, Quality Telephone, Inc. may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and Company's equipment and services and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.

2.5.3 Service may be discontinued by Quality Telephone, Inc., without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using a call screening method which generates a network message not allowing calls to complete, when Quality Telephone, Inc. deems it necessary to take such action to prevent unlawful use of its service. Quality Telephone, Inc. will restore service as soon as it can be provided without undue risk.

2.5.4 The Customer may terminate service upon verbal or written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage and be responsible for payment until the Customer or its agent notifies its local exchange carrier and changes its long distance carrier.

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**2. RULES AND REGULATIONS (continued)**

**2.6 Interruption of Service**

- 2.6.1 Credit allowance for the interruption of service which is not due to the Company's testing, inspecting, or adjusting, of equipment; or to the failure of channels or equipment provided by the Customer; or to the Company's blocking of services to certain locations; and that is not caused by the Customer, is subject to the general liability provisions set forth in 2.3 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities.
- 2.6.2 No credit is allowed in the event that service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.
- 2.6.4 Credit for interruption shall commence after the Customer notifies the Company of the interruption or when the Company becomes aware thereof, and ceases when service has been restored.
- 2.6.5 For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.6 No credit shall be allowed for an interruption of a continuous duration of less than twenty four hours.

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2. RULES AND REGULATIONS (continued)

2.6 Interruption of Service (continued)

2.6.7 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or quarter hour increments thereof that the interruption continues.

CREDIT FORMULA:

$$\text{Credit} = (A \times B) / 720$$

"A" - outage time in hours

"B" - total monthly Quality Telephone, Inc. provided charges for affected facility

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission

2.8 Deposits

Quality Telephone, Inc. may, in order to safeguard its interests, require Customer to make a cash security deposit, irrevocable letter of credit or other means prior to or any time after the provision of Services to Customer (collectively called "Deposit"). The Deposit, to be held by Quality Telephone, Inc. as a guarantee or security for the payment of charges incurred, may be drawn upon by Quality Telephone, Inc. for any and all past due amounts, and may be increased at any time upon Quality Telephone, Inc.'s request and in its sole discretion. Quality Telephone, Inc.'s obligation to provide Services is contingent upon an initial and continuing credit approval by Quality Telephone, Inc.

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**2. RULES AND REGULATIONS (continued)****2.9 Advance Payments**

For Customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

**2.10 Taxes**

All federal, state and local taxes, assessments, surcharges, or fees (i.e., gross receipts tax, sales tax, use tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

**2.11 Billing and Charges**

2.11.1 Quality Telephone, Inc. will bill its customers directly. Billing will be payable upon receipt and will be considered past due if not paid within 20 days.

2.11.2 The Customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.

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**2. RULES AND REGULATIONS (continued)****2.12 Collection Costs**

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amount due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payment, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company will be determined by the Court.

**2.13 Customer Complaints and/or Billing Disputes**

2.13.1 Customers may contact Quality Telephone, Inc.'s representatives 24 hours a day, 7 days a week at 1-800-527-3233, or by writing to Quality Telephone, Inc., Customer Service Division, P.O. Box 7310 Dallas, TX.

2.13.2 Any objection to billed charges should be reported within forty-five (45) days of the date of the invoice to Quality Telephone, Inc. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. A Customer who is unable to resolve a billing dispute with the Company may contact the Commission to intervene in the billing dispute.

**2.14 Reseller/Rebiller Certification**

Any Customer that resells or rebills Quality Telephone, Inc. services set forth in this tariff must possess all certifications and authorizations required by the South Carolina Public Service Commission and all other pertinent authorities.

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**SECTION 3 - DESCRIPTION OF SERVICE****3.1 Timing of Calls****3.1.1 Chargeable Time**

The Customer's long distance usage charge is based on the actual usage of Quality Telephone, Inc.'s network. Usage begins when the called party picks up the receiver. When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling party hangs up thereby releasing the network connection. If the called party hangs up but the calling party does not, chargeable time ends when the network connection is released or by automatic timing equipment in the network. There will be no charges for incomplete calls.

**3.1.2 Billing Increments**

The minimum call duration and initial billing period is 60 seconds for all intrastate direct dialed calls unless otherwise specified by this tariff. Any additional period is measured and rounded to the next higher 60 second increment unless otherwise specified by this tariff.

**3.1.3 Rounding**

All calls will be rounded to the second decimal place amount of a call charge.

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**3. DESCRIPTION OF SERVICE (continued)****3.2 Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4

FORMULA: 
$$2 \sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

EXAMPLE: Distance between Miami and New York City -

<u>VH</u>		
Miami	8,351	529
New York	<u>4,997</u>	<u>1,406</u>
Difference	3,354	-879

Square and add:  $11,249,316 + 772,641 = 12,021,957$

Divide by 10 and round:  $12,021,957 / 10 = 1,202,195.70$   
 $= 1,202,196$

Take square root and round:  $1,202,196 = 1,096.4$   
 $= 1,097 \text{ miles}$

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**3. DESCRIPTION OF SERVICE (continued)****3.3 Minimum Call Completion Rate**

A Customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 95% during peak use periods for all services ("1+" dialing).

**3.4 Service Offerings****3.4.1 Dedicated Access Services**

Quality Telephone, Inc. Dedicated Access Services allows a Customer to access the Company's long distance network via a dedicated channel connection between the customer premise equipment and the long distance switch.

**3.4.1.1 Inbound Dedicated Service**

Quality Telephone, Inc. Inbound Dedicated Service receives inbound Intrastate calls on Dedicated Access Lines using 800 or 888 number(s).

**3.4.1.1 Outbound Dedicated Service**

Quality Telephone, Inc. Outbound Dedicated Service sends outbound intrastate calls on Dedicated Access Lines by dialing "1+ ten digits" for interLATA.

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**3. DESCRIPTION OF SERVICE (continued)**

**3.4 Service Offerings (continued)**

**3.4.2 Switched Access Services**

Quality Telephone, Inc. Switched Access Service allows a customer to access the Company's long distance network via FGD access.

**3.4.2.1 Inbound Switched Service**

Quality Telephone, Inc. Inbound Switched Service receive inbound Intrastate calls on Switched Access Lines using 800 or 888 number(s).

**3.4.2.2 Outbound Switched Service**

Quality Telephone, Inc. Outbound Switched Service sends outbound Intrastate calls on Switched Access Lines by dialing "1+ ten digits" for interLATA calls.

**3.4.3 Private Line Services**

Quality Telephone, Inc. Private Line Services allows a customer use of a non-switched direct channel or line specifically dedicated to a customer's use between specified points.

**3.5 Special Promotional Offerings**

The company may from time to time engage in special promotional offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage. The company will not have special promotional offerings for more than 90 days in any 12 month period.

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**SECTION 4 - RATES**

4.1 General Rate Information

4.1.1 Call Duration

Customer will maintain a call duration of greater than 18 seconds in length for at least 90% of Customer's total domestic calls. Quality Telephone, Inc. shall charge all calls under 18 seconds in duration a minimum of one cent (\$0.01) per call if the total amount of calls less than 18 seconds exceeds 10% of the Customer's total domestic traffic.

4.1.2 RBOC – ITC Surcharge

Dedicated rates pursuant to this tariff are based upon the condition that the Customer will terminate at least 80% of Customer's total termination usage and originate at least 85% of the Customer's total origination usage in a tandem owned and operated by a Regional Bell Operating Company ("RBOC"). Quality Telephone, Inc. shall apply a surcharge of two cents (\$0.02) per minute of use to the number of minutes that exceed 20% of the total Non-RBOC termination minutes and four cents (\$0.04) per minute of use to the number of minutes that exceed 15% of the total Non-RBOC origination minutes.

4.1.3 Charge for Non-Billable Toll Free Calls

If a Customer's usage of a toll-free number results in the non-billable (non-completed) calls for such toll-free number in any month to be greater than 7% of the billable (completed) calls for such toll-free number in that month, Quality Telephone, Inc. may charge Customer a non-discountable \$0.02 charge for each non-billable call.

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**4. RATES (continued)****4.2 Rate Schedules****Current Rate****Maximum Rate****4.2.1 Inbound Dedicated Service**

Inbound Dedicated Service - \$0.035 per min. \$0.085 per min.

**4.2.2 Outbound Dedicated Service**

Outbound Dedicated Service - \$0.034 per min. \$0.085 per min.

**4.2.3 Inbound Switched Service**

Inbound Switched Service - \$0.085 per min. \$0.135 per min.

**4.2.4 Outbound Switched Service**

Outbound Switched Service - \$0.084 per min. \$0.134 per min.

**4.2.5 Private Line Services**

Private line services will be made available to customers in a non-discriminatory manner. Rates for private line services will be determined on an Individual Case Basis (ICB). Pricing will be based upon term commitments and distance and will include a non-recurring charge and minimum revenue requirements. ICB rates will be made available to the Commission upon request on a proprietary basis.

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**4. RATES (continued)****4.3 Ancillary Charges**

	<b>Current MRC</b>	<b>Max MRC</b>	<b>Current NRC</b>	<b>Max NRC</b>
Outbound Account Codes (non-verified)	\$10.00	\$15.00	\$ 25.00	\$30.00
Outbound Account Codes (verified)	\$10.00	\$15.00	\$ 25.00	\$30.00
Inbound Account Codes (non-verified)	\$60.00	\$65.00	\$ 85.00	\$90.00
Inbound Account Codes (verified)	\$60.00	\$65.00	\$ 85.00	\$90.00
Monthly CDR per CD ROM	\$75.00	\$80.00	\$ 00.00	\$00.00
PICC Surcharge:				
Primary Residential Line	\$00.00	\$00.00	\$ 00.00	\$00.00
Non-Primary Residential Line	\$00.00	\$00.00	\$ 00.00	\$00.00
Business Single Line	\$00.00	\$00.00	\$ 00.00	\$00.00
Business Multi-Line	\$ 1.50	\$ 6.50	\$ 00.00	\$00.00
Centrex	\$ 0.53	\$ 5.53	\$ 00.00	\$00.00
ISDN Line/BRI	\$ 2.81	\$ 8.81	\$ 00.00	\$00.00
ISDN/PRI	\$23.92	\$28.92	\$ 00.00	\$00.00
Direct termination Overflow (per order)	\$90.00	\$95.00	\$ 75.00	\$80.00
8XX SMS Fee (per active 8XX)	\$ 0.80	\$ 5.80	\$ 0.50	\$ 5.50
8XX Directory Assistance (per 8XX listed)	\$35.00	\$40.00	\$ 35.00	\$35.00
8XX Area Code Blocking	\$00.00	\$00.00	\$ 30.00	\$35.00
8XX DNIS Deliver (per order)	\$00.00	\$00.00	\$700.00	\$705.00
8XX ANI Delivery (per trunk group)	\$75.00	\$80.00	\$150.00	\$155.00
Unauthorized PIC (per ANI)	\$00.00	\$00.00	\$ 25.00	\$30.00
Network Interconnection Charge	\$00.00	\$00.00	\$ 00.00	\$00.00

Direct Termination Overflow – Allows a dedicated access line customer to control potential congestion of calls placed on an 8XX number by sending overflow calls to another 8XX trunk group, WATS access line, dedicated access line or business line.

Dialed Number Identification – Allows a dedicated access customer to receive calls from multiple 800 numbers on the same terminating trunk group by sending special identification digits along with the 800 call to the customer site. Customer must have proper equipment to receive.

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**4. RATES (continued)****4.3 Ancillary Charges (continued)**

Real Time ANI – Allows a dedicated customer to receive the ANI of the calling party if the call originates from an equal access end office. Currently provided via in-band signaling. Terminating equipment must accept FGD signaling.

Special Routing Features – Special Routing features such as Day of Week Routing, Holiday Routing, Time of Day Routing and Percentage Allocation Routing are not available.

**4.4 Directory Assistance**

A long distance directory assistance charge applies when the caller accesses the Company's network by dialing 1 + Area Code + 555-1212 to place a request for a telephone number. A caller may request one telephone number per directory assistance call. The charge applies to each inquiry regardless of whether the directory assistance bureau is able to supply a listed number. A credit will be issued for any directory assistance charge for which the Customer experiences poor transmission quality, is cut off, receives an incorrect telephone number, or misdials.

	<u>Per Inquiry</u>	
	Current	Maximum
Directory Assistance Charge -	\$1.25	\$3.25

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**4. RATES (continued)****4.5 Payphone Use Surcharge**

An undiscountable payphone use surcharge of \$.65 shall apply to each coinless call which Quality Telephone, Inc. can identify as being placed from a domestic payphone by or to the Customer or its permitted user. This includes, but is not limited to, calls placed with a Quality Telephone, Inc. calling card, collect calls and calls placed to 800 numbers. This charge is in addition to standard tariffed usage charges and is for the use of the payphone instrument to access Quality Telephone, Inc.'s service.

**4.6 Finance Charge and Late Fee**

A finance charge will be charged on any past due balances not to exceed 2 ½ times the monthly invoice amount. In addition, if the amount considered past due is greater than \$6.00, a late fee in the amount of 5% will also be applied, with a minimum of \$10.00.

**4.7 Return Check Charges**

A fee of \$15.00 will be charged for each check returned.

**4.8 Reconnection Charge**

If the Company allows a customer to be reconnected, a reconnection fee of \$20.00 per occurrence is charged when service is re-established for Customers who had been disconnected for non-payment.

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**SECTION 5 -SPECIALIZED SERVICE ARRANGEMENTS****5.1    Customized Service Packages**

Customized service packages and competitive pricing packages may be furnished at negotiated rates on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be provided to Customers pursuant to contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the tariff. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis. All specialized pricing arrangements are subject to Commission review.

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